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WHY THE UNEMPLOYED LOOKED FOR WORK. SPECIAL LABOR FORCE REPORT NUMBER 78.

BY- HOYLE, KATHRYN D.
BUREAU OF LABOR STATISTICS, WASHINGTON, D.C.

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INFORMATION ACQUIRED FROM SIX SUPPLEMENTS TO THE REGULAR "CURRENT POPULATION SURVEY" BETWEEN JUNE 1964 AND JUNE 1966 WAS USED TO EXAMINE THE REASONS UNEMPLOYED MEMBERS OF THE LABOR FORCE BEGIN TO LOOK FOR WORK. THE DATA, WHEN AVERAGED, REVEALED THAT DURING THIS PERIOD OF RAPID ECONOMIC EXPANSION (1) 40 PERCENT HAD LOST THEIR PREVIOUS JOBS, (2) 15 PERCENT HAD QUIT THEIR LAST JOBS, (3) 25 PERCENT WERE REENTERING THE LABOR FORCE AFTER A PERIOD OF ABSENCE, AND (4) 20 PERCENT WERE NEW ENTRANTS WHO HAD NEVER HELD A FULL-TIME JOB. IN JUNE 1966, JOB LOSERS, THOSE WHOSE EMPLOYMENT WAS TERMINATED OR THOSE ON LAYOFF, ACCOUNTED FOR ONE-FOURTH OF ALL UNEMPLOYED PERSONS, AND IN DECEMBER 1964 AND JANUARY 1966 THE PROPORTION HAD RISEN TO ONE-HALF. THE NEGRO JOB-LOSER RATE WAS ABOUT TWO AND ONE-HALF TIMES THE WHITE RATE. PERSONS WHO LEFT THEIR JOBS VOLUNTARILY AND IMMEDIATELY BEGAN TO LOOK FOR WORK ACCOUNTED FOR 12 TO 18 PERCENT OF THE UNEMPLOYED. THE DATA SUGGEST THAT THE NEW ENTRANT RATE DURING PERIODS OF ABUNDANT JOB OPPORTUNITIES MAY KEEP UNEMPLOYMENT RATES UP. SINCE OVERALL ECONOMIC EXPANSION SEEMS TO AFFECT ENTRANT AND JOB-LEAVER RATES VERY LITTLE AND VERY SLOWLY, JOB MARKET PROGRAMS AIMED AT SPECIFIC GROUPS WILL BE NEEDED TO REDUCE THE TOTAL UNEMPLOYMENT RATE BELOW THREE AND ONE-HALF PERCENT. THIS DOCUMENT APPEARED IN THE "MONTHLY LABOR REVIEW," JANUARY 1967. (ET)

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SPECIAL LABOR FORCE REPORT NO. 78

WHY THE UNEMPLOYED LOOKED FOR WORK

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UNITED STATES DEPARTMENT OF LABOR W. Willard Wirtz, Secretary
BUREAU OF LABOR STATISTICS Arthur M. Ross, Commissioner

Special Labor Force Report — No. 78

Why the Unemployed Look for Work

KATHRYN D. HOYLE*

THE UNEMPLOYMENT FIGURES are designed to assist in measuring the utilization of the Nation's most important resource—its manpower. The figures include all persons not working who are seeking work at a given time, regardless of their financial needs or their reasons for trying to find jobs. Workers who were laid off or who lost their jobs do not account for all the unemployed, as the unemployed also include workers who leave one job to look for another and persons who enter the job market either for the first time or after a period outside the labor force.

The reasons people begin to look for work were first identified in supplements to the regular Current Population Survey taken in June and December 1964.[1] Since that time, four additional studies have been made—in June 1965, November 1965, January 1966, and June 1966. An averaging of the 6 survey months produced the following approximate composite of the unemployed during this period of rapid economic expansion:

40 percent had lost their previous jobs;
15 percent had quit their last jobs;
25 percent were reentering the labor force after a period of absence; and
20 percent were new entrants who had never held a full-time job.

The composition varied with the season. For example, job losers ranged from one-fourth of the unemployed in June 1966 to about half of the total in December 1964 and January 1966. On the other hand, more than one-fourth of the unemployed were new entrants in June when school was out of session, but less than one-sixth were in this category in the winter months. (See table 1.)

Total unemployment fell by about 800,000 between June 1964 and June 1966; virtually all of this drop took place among persons who lost their last jobs. The unemployment of persons who quit their jobs and of labor force entrants showed little change in this 2-year period.

Unemployed persons
[In thousands]

	June 1966		June 1964		Change 1964–66	
	Total	5 weeks or more	Total	5 weeks or more	Total	5 weeks or more
Total unemployed	3,870	1,132	4,692	1,911	−822	−779
Lost job	939	402	1,713	1,012	−774	−610
Left job	523	222	549	264	−26	−42
Reentered labor force	1,204	280	1,182	367	22	−87
Never worked	1,205	229	1,248	267	−43	−38

As the above tabulation shows, almost all of the June 1964 to June 1966 unemployment reduction took place among persons out of work for a month or longer. Job leavers, reentrants, and new workers all benefited moderately from the decrease in unemployment of 5 weeks or more, but the largest drop—to 400,000 from 1 million—occurred among job losers.

Age and Sex

Data on why people looked for work were classified according to age, sex, color, and whether seeking part-time or full-time work, as well as by duration of unemployment.

Job Losers. The individual worker often has little control over job losses, which may result from business failure, decreased workload, or mechanization. Persons on layoff, whether temporary or indefinite, as well as those who lose their jobs permanently are termed job losers. However, if job loss were the only cause of unemployment, the unemployment rate would be substantially lower. The total unemployment rate was 4.9 percent in June 1966 (down from 6.1 and 5.5 percent in the previous Junes) and ranged from 3.9 to 4.7 percent in the 3 winter months. The

*Of the Division of Employment and Unemployment Analysis, Bureau of Labor Statistics.

[1] Findings of the first two surveys were published in "The Unemployed: Why They Started Looking for Work," *Monthly Labor Review*, October 1965, pp. 1196–1203, and were reprinted as Special Labor Force Report No. 60.

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job-loser rate,[2] however, was 1.2 percent in June 1966 (also down substantially from June 1964 and 1965) and varied from 1.6 to 2.3 percent in the winter months. (See table 2.) In June 1966, job losers accounted for one-fourth of all unemployed persons; the proportion rose to one-half of the unemployed in December 1964 and January 1966.

With increased age and work experience, frequent or casual job shifting decreases; the more experienced worker has usually finished his period of job testing and found a field suited to his skills and interests. Men age 25 and over are normally the primary source of support for their families, and the importance of a woman's earnings to her family's income also increases as she moves out of the teenage and young adult years. Women also become freer of household responsibilities as their children grow older. All these factors strengthen the worker's labor force attachment and discourage job quitting and movement into and out of the labor force.

Only a small proportion of the unemployed 14 to 17 year-olds gave job loss as the reason for looking for work. Loss of a job becomes more prevalent among older teenagers, since more 18 to 19 year-olds are out of school and in the labor force full time; this progression continues. Job losers accounted for more than 70 percent of the unemployed men age 45–64 years and for more than half of the unemployed women in this age group.

Although the preceding discussion relates to job losers as a proportion of the unemployed in a given age group, the job-loser rate is based on the percentage of the entire labor force at any age that is unemployed due to the loss of a job. The age-sex differentials in job-loser rates are considerably smaller than the differentials in the total unemployment rates. For example, there is a wide gap between teenage and adult overall unemployment rates, but most of the difference is explained by the appreciably higher entrant rate of teenagers. It appears that once a teenage boy or girl has a job, the likelihood that he will become unemployed because he loses it is not much greater than his adult counterpart's.

The typically higher unemployment rate for adult women compared with adult men is also a function of the women's greater labor force mobility. The job-loser rate for adult women is about equal to or lower than that for adult men.

The reduction in the job-loser rate between June 1964 and June 1966 was responsible for most of the drop in the total unemployment rate. The total jobless rate fell to 4.9 from 6.1 percent in this period. While the entrant and the job-leaver rates showed little change, the job-loser rate dropped to 1.2 from 2.2 percent. Job losers, therefore, account for most of the nonseasonal movement in the total unemployment rate, though they represent only two-fifths of the unemployed. The latter proportion is based on surveys taken in 6 months when the economy was expanding rapidly, and it is probable that during a period of slower growth, and certainly during an economic downturn, the proportion of job losers would rise sharply.

Job Leavers. Persons who left their jobs and immediately started to look for work accounted for 12 to 18 percent of the unemployed. Some of the reasons for quitting are obvious—differences with the boss, unpleasant working conditions, low wages, no opportunity for advancement, and the like. Others quit in anticipation of job loss; this reason might account for some persons reported as job quitters among the unemployed in November when outdoor work halts in colder climates and in January after the Christmas season.

The job-leaver rate is high among teenagers and young adults who change jobs frequently before deciding to settle in one. Other workers have to leave their job because the family head moves to another community. Some persons can look for another job while remaining on their present one; others have to quit to devote their full time to finding new employment. Unless these job leavers find work immediately, they are counted in the unemployment statistics.

In all the special survey months, only 0.6–0.7 percent of the labor force had quit their previous job. The availability of jobs enabled many job leavers to move directly from one job to another with little or no unemployment.

Labor Force Entrants. Most persons entering the labor force for the first time are teenagers who are still in school. Although many of these young-

[2] Unless otherwise specified, all unemployment rates cited are *not* adjusted for seasonality. The job-loser, job-leaver, and entrant rates are each calculated as a percent of the labor force; therefore, the sum of the rates for the three groups equals the total unemployment rate.

TABLE 1. UNEMPLOYED PERSONS, BY REASON FOR LOOKING FOR WORK, AGE, AND SEX, SELECTED MONTHS 1964, 1965, AND 1966

Age, sex, month, and year	Total unemployed, 14 years and over	Percent distribution				
		Total unemployed	Lost job	Left job	Reentered labor force	Never worked
BOTH SEXES, 14 YEARS AND OVER						
June 1964	4,692	100.0	36.5	11.7	25.2	26.6
December 1964	3,466	100.0	49.1	13.0	21.9	16.0
June 1965	4,287	100.0	33.3	11.7	26.9	28.1
November 1965	2,966	100.0	39.8	18.3	25.4	16.5
January 1966	3,290	100.0	49.5	15.9	21.8	12.7
June 1966	3,870	100.0	24.2	13.5	31.1	31.1
14-19 YEARS OLD, BOTH SEXES						
June 1964	1,885	100.0	9.4	5.3	28.1	57.3
December 1964	825	100.0	22.8	7.4	17.3	52.5
June 1965	1,819	100.0	7.6	4.9	28.6	59.0
November 1965	817	100.0	16.4	15.9	18.7	48.8
January 1966	764	100.0	25.5	15.3	20.7	38.4
June 1966	1,883	100.0	6.6	5.3	31.5	56.5
MALES, 20 YEARS AND OVER						
June 1964	1,608	100.0	63.5	14.6	17.3	4.6
December 1964	1,677	100.0	66.2	11.3	19.1	3.3
June 1965	1,318	100.0	60.3	15.5	19.7	4.5
November 1965	1,109	100.0	63.2	17.2	16.7	2.8
January 1966	1,526	100.0	68.2	14.7	14.2	2.9
June 1966	1,049	100.0	52.6	17.7	25.2	4.6
FEMALES, 20 YEARS AND OVER						
June 1964	1,199	100.0	43.0	18.0	31.4	7.7
December 1964	965	100.0	42.2	20.5	30.9	6.4
June 1965	1,152	100.0	43.1	18.1	32.3	6.6
November 1965	1,042	100.0	32.9	21.3	39.9	5.9
January 1966	1,002	100.0	39.5	18.3	34.2	8.1
June 1966	938	100.0	27.8	25.4	36.9	10.1

sters are not forced to work full time by economic necessity, some of them do need temporary or part-time jobs to help pay school or family expenses. These young workers also need to accumulate work experience, but their very lack of experience and their age make it especially difficult for them to find jobs.

Over 30 percent of the unemployed were new entrants in June 1966, and, even in the winter months, nearly one-sixth had no previous full-time work experience. As would be expected, the entrant rate causes most of the seasonal variation in the total unemployment rate. About 1.6 percent of the labor force was inexperienced and unemployed in June 1964, 1965, and 1966; the new entrant rate dipped to around 0.7 percent in the winter months. The new entrant rate for teenagers reaches a high of over 10 percent in June.

Women and teenagers account for a majority of the reentrants, unemployed persons with previous full-time work experience who were out of the labor force just prior to looking for work. A great many of them, regardless of age or sex, come back into the work force because of economic necessity.

Many of the teenagers have worked at summer jobs and are looking for their first permanent full-time jobs. Among adults of both sexes, seasonal work is the primary reason for reentry. Some persons drop out of the labor force temporarily because of sickness and later return to look for work. Others leave the labor force to supplement educational or vocational skills and return when the new skills have been acquired.

Divorce or separation forces many women to reenter the job market to support themselves and their children. Others leave the labor force when their families relocate geographically but return to look for work when the new household is set up. Still others, who want to work and whose families need the money, can reenter the labor force only after their children have reached school age.

While seasonal work is the primary reason for reentry among adult men, other reasons include discharge from the Armed Forces, illness, unpaid vacation, and, to a lesser extent, release from hospitals, prisons, or other institutions.

During the period June 1964–June 1966, 20 to 30 percent of the unemployed were persons with previous work experience who had been out of the labor force for various reasons. The rate for reentrants reached a high of 1.5 percent in June. In the other survey months, unemployed reentrants accounted for 1 percent of the labor force.

Unemployment Rates

New data on why people began to look for work suggest that the total unemployment rate may not fall to as low a point during economic expansion as had previously been thought. The 2-year period from June 1964 to June 1966 was one of rapid economic growth, but the lowest seasonally adjusted unemployment rate was slightly below 4.0 percent. The actual rate fell 1.2 percentage points from June 1964 to June 1966; all but 0.2 point of the decline was in the job-loser rate. The job-leaver, reentrant, and new worker rates remained at a combined average of around 3 percent in all 6 survey months.

The job-leaver rate was 0.7 percent in November 1965, January 1966, and June 1966; it can be

assumed that this rate has little seasonal variation. The rate did not improve over the 2-year period probably because the continually favorable job market encouraged workers to leave their jobs to hunt for others.

The reentrant rate was unchanged over the period at 1.5 percent in every June and 1.0 percent in every other month; an average rate of around 1.2 percent can be assumed throughout the period. The growth in the economy that occurred over this 2-year period and its attendant demand for workers improved the situation for reentrants, although this is not exhibited in their unemployment rate. The abundance of job opportunities probably attracted so many reentrants into the job market that the rate was sustained.

The new entrant rate was about 0.5 percent in November 1965 and January 1966 and 1.5 percent in June 1966—an average of about 1.0 percent. The large growth in the teenage labor force of 1.6 million maintained the new entrant rate with only a small decline.

If these three rates averaged 3 percent, then the job-loser rate must have been about 1.0 percent when the total rate, seasonally adjusted, was 4.0 percent. A job-loser rate of 1 percent out of a labor force of over 75 million is low, but it could improve further. Job-loser rates are still high among Negroes and less skilled workers.

As women and young workers constitute an ever-increasing proportion of the work force, the entrant and job-leaver rates make up a more important part of the total rate. As business conditions improve, these secondary workers come into the job market in large enough numbers to keep the job-leaver and entrant rates at fairly stable levels. A combined rate of 3 percent for these groups, however, is not acceptable, especially in view of the fact that the teenage entrant rate was 16½ percent in June 1966. Overall economic expansion seems to affect these rates very little and very slowly; in the short run, job market programs aimed at specific groups will be needed to reduce the total unemployment rate below 3½ percent.

1964–66 Changes

Total unemployment fell sharply between June 1964 and June 1966. As mentioned earlier, most of the decline occurred in the cyclically responsive job-loser component. There was also a small but notable improvement in the employment-unemployment picture for new entrants. Campaigns to provide jobs for youth in the summers of 1965 and 1966 effectively absorbed the large growth in the teenage labor force and made possible a slight reduction in their unemployment rate. Nevertheless, the sharpest improvement in the 1964–66 period occurred among job losers—leading to lower jobless rates for all groups where losers constitute a large part of the total unemployed, for example, adult men, blue-collar workers, nonwhites, persons unemployed 5 weeks or more, and workers in the goods-producing industries.

Duration of Unemployment

In all 6 survey months, short periods of unemployment were more common for labor force entrants than for job leavers and losers. However, this difference narrowed substantially between 1964 and 1966. Nearly all of the 800,000 decline in total unemployment from June 1964 to June

TABLE 2. UNEMPLOYMENT RATES, BY REASON FOR LOOKING FOR WORK, AGE, AND SEX, SELECTED MONTHS, 1964, 1965, AND 1966

Age, sex, month, and year	Total unemployment rate	Job-loser rate	Job-leaver rate	Reentrant rate	New entrant rate
BOTH SEXES, 14 YEARS AND OVER					
June 1964	6.1	2.2	0.7	1.5	1.7
December 1964	4.7	2.3	.6	1.0	.8
June 1965	5.5	1.8	.6	1.5	1.6
November 1965	3.9	1.6	.7	1.0	.6
January 1966	4.4	2.2	.7	1.0	.5
June 1966	4.9	1.2	.7	1.5	1.5
14-19 YEARS OLD, BOTH SEXES					
June 1964	22.0	2.1	1.1	6.2	12.6
December 1964	13.7	3.1	1.0	2.4	7.2
June 1965	20.8	1.6	1.0	5.9	12.3
November 1965	11.8	1.9	1.9	2.2	5.8
January 1966	11.8	3.0	1.8	2.4	4.5
June 1966	18.5	1.2	1.0	5.8	10.5
MALES, 20 YEARS AND OVER					
June 1964	3.6	2.3	.5	.6	.2
December 1964	3.8	2.5	.4	.7	.1
June 1965	2.9	1.8	.4	.6	.1
November 1965	2.5	1.6	.4	.4	.1
January 1966	3.4	2.3	.5	.5	.1
June 1966	2.3	1.2	.4	.6	.1
FEMALES, 20 YEARS AND OVER					
June 1964	5.2	2.2	.9	1.6	.4
December 1964	4.1	1.7	.8	1.3	.3
June 1965	4.8	2.1	.9	1.6	.2
November 1965	4.3	1.4	.9	1.7	.3
January 1966	4.2	1.7	.8	1.4	.3
June 1966	3.9	1.1	1.0	1.4	.4

1966 took place among persons who had been unemployed for 5 weeks or longer. The number of job losers seeking work for at least a month fell from 1 million to 400,000 in this period, accounting for four-fifths of the total reduction in unemployment of 5 weeks or more. In June 1964, almost 60 percent of the job losers had been out of work for a month or more, far higher than the 48 percent for job leavers and the 26 percent for entrants. By June 1966, the proportion of job losers in this duration group was down to 43 percent, the same as the job-leaver proportion, compared with 21 percent for entrants.

Long-term unemployment, 15 weeks or more, fell sharply—from 1 million in June 1964 to 475,000 in June 1966. Again, job losers showed the greatest improvement; the number in the long-term group dropped from 600,000 in 1964 to only 200,000 in 1966. Long-term joblessness also declined for job leavers, reentrants, and new entrants in this period, but the reductions for these groups were proportionately less than for job losers.

Classification by Color

For many years the unemployment rates for Negro workers have been about double the rates for whites. The Negro job-loser rate was about 2½ times the white rate in June 1964, 1965, and 1966. Although job-loser rates for both color groups fell during this period, the decline for Negroes was not large enough to reduce the differential. (See table 3.)

Job losers are a more important component of total unemployment for Negroes than for whites. About 85 percent of the 700,000 decline in unemployment for white workers took place among job losers. In the same 2-year period, there was a 175,000 decline for Negro job losers; this decrease was partially offset by a 50,000 rise in the number of unemployed Negro entrants (mainly teenagers).

The imbalance between the Negro and white job-loser rates was especially pronounced among adult males. Between June 1964 and June 1965, the job-loser rate for men age 20 years and over fell more rapidly for Negroes than for whites. From 1965 to 1966, both rates again fell, but the rate of decline for Negro males slowed in comparison to that for white males. The higher job-loser rate for Negro men is attributable, in large part, to their concentration in semiskilled and unskilled jobs in industries where seasonal and economic cutbacks are common. In addition, discrimination results in Negro workers being the first ones fired and the last ones recalled. The unemployment rates for adult men who quit jobs or who entered the labor force to look for work were low for whites and Negroes.

Full Time, Part Time

The majority of unemployed persons seeking full-time employment had been looking for work steadily since they lost or left their last jobs. The majority of those seeking part-time jobs were labor force entrants—principally housewives or students who were available for part-time work.

Entrant rates were high among persons looking for part-time work and did not improve from June 1964 to June 1966. On the other hand, the job-loser rate for this group was low—0.6 percent in June 1966.

The rate of job loss among those seeking full-time jobs (although nearly cut in half during the 2-year period) was appreciably higher than among part-time jobseekers. The majority of those looking for full-time work were adults.

Industry and Occupation

Traditionally, unemployment rates for industries and occupations have been carefully observed barometers of economic change. These rates are, however, subject to certain limitations which impair their use as economic indicators. The new information on why people started to look for work helps to alleviate some of these problems.

One limitation of the overall rate is that the occupation and industry reported for an unemployed worker relate to his last job and therefore provide, at best, only a good guess at the type of job he is currently seeking. (This discussion excludes unemployed persons with no previous full-time work experience.) A more serious limitation is that unemployment rates by occupation and industry include persons who are looking for work after a period of absence from the labor force. Their joblessness may have little or no relationship to the current state of affairs in the occupation and industry in which they worked at some time in the past. For example, labor force en-

TABLE 3. UNEMPLOYMENT RATES, BY REASON FOR LOOKING FOR WORK, COLOR, AGE, AND SEX, SELECTED MONTHS' 1964, 1965, AND 1966

Age, sex, month, and year	Total unemployment rate		Job-loser rate		Job-leaver rate		Entrant rate	
	White	Nonwhite	White	Nonwhite	White	Nonwhite	White	Nonwhite
BOTH SEXES, 14 YEARS AND OVER								
June 1964	5.5	10.8	1.9	4.8	0.6	1.2	3.0	4.8
December 1964	4.2	8.8	2.0	4.9	.5	1.1	1.7	2.8
June 1965	5.0	9.3	1.6	3.6	.6	1.1	2.8	4.6
November 1965	3.5	7.5	1.4	3.1	.7	1.3	1.4	3.1
January 1966	3.9	8.2	2.0	3.9	.6	1.3	1.3	3.0
June 1966	4.3	9.0	1.0	2.7	.6	1.1	2.7	5.2
14-19 YEARS OLD, BOTH SEXES								
June 1964	20.5	33.2	1.7	5.1	1.0	1.9	17.8	26.2
December 1964	12.7	23.2	2.8	6.3	.8	2.3	9.1	14.6
June 1965	19.4	30.4	1.4	2.8	.9	1.3	17.1	26.3
November 1965	10.0	26.6	1.6	4.9	1.6	4.5	6.8	17.2
January 1966	10.1	26.9	2.6	7.2	1.7	3.0	5.8	16.7
June 1966	16.8	31.6	1.0	3.2	.9	1.5	14.9	26.9
MALES, 20 YEARS AND OVER								
June 1964	3.2	7.0	1.9	5.2	.5	.9	.8	.9
December 1964	3.4	7.5	2.1	6.1	.4	.5	.9	.9
June 1965	2.6	5.4	1.5	4.0	.4	.7	.7	.7
November 1965	2.2	4.7	1.4	3.1	.4	.8	.4	.8
January 1966	3.2	5.7	2.2	4.0	.5	.6	.5	1.1
June 1966	2.0	5.0	1.0	3.2	.4	.8	.6	1.0
FEMALES, 20 YEARS AND OVER								
June 1964	4.6	8.9	1.9	4.1	.8	1.6	1.9	3.2
December 1964	3.6	7.8	1.6	3.0	.7	1.8	1.3	3.0
June 1965	4.4	7.7	1.9	3.4	.8	1.7	1.7	2.6
November 1965	3.9	6.9	1.2	2.8	.9	1.3	1.8	2.8
January 1966	3.7	7.8	1.4	3.1	.6	1.8	1.7	2.9
June 1966	3.4	6.6	.9	1.9	.9	1.6	1.6	3.1

trant rates in December and January were highest for agricultural and construction workers, yet it is unlikely that these entrants were looking for farm or construction jobs even though their last job, probably in the previous summer, had been of that type.

Data on job loss overcome both of these difficulties to some extent as they reflect the amount of unemployment resulting from recent employment changes in industries and occupations. In addition, a person who begins seeking work immediately after losing his job is more likely to have a strong attachment to an occupation or an industry than someone whose last job was followed by a period of withdrawal from the labor force.

The information obtained from the special surveys shows significant differences between the unemployment and job-loser rates. In December, November, and January, the job-loser rate was half or more of the unemployment rate for experienced nonagricultural wage and salary workers; in June 1966, it was less than two-fifths of the total rate.

All of the improvement in the nonagricultural wage and salary unemployment rate over the June 1964–June 1966 period occurred among job losers. In June 1964, the unemployment rate for this group was 5 percent and the job-loser rate was 2.5 percent. By June 1966, the total rate had fallen to 3.8 percent and the job-loser rate to 1.4 percent, or less than two-fifths of the total. The job-leaver and reentrant rates were unchanged from June 1964 at 0.8 and 1.6 percent, respectively.

The difference between the job-loser and the total unemployment rate was much larger for service-producing industries than for nonfarm goods-producing industries, the job-loser rate in goods-producing industries being about double that in the service-producing sector. These points illustrate a basic difference in the work force in these two segments of the economy.

Expanding employment opportunities in services have attracted many young workers and adult women, partly because these jobs are often part time or temporary and partly because many of them do not require the skill or strength that the goods-producing industries do. The demand for labor in services is met in large part by workers entering the labor force to take jobs. Also, women and young workers usually have fewer financial responsibilities and can leave one job to look for another more easily than can adult men

who make up the bulk of the workers in the goods-producing industries. At the same time, seasonal or other contractions in the demand for workers in service industries are frequently accompanied by the withdrawal of women and teenagers from the labor force so that relatively few persons are added to the unemployed by job loss. For example, teenagers who work in summer camps, resorts, and other recreational facilities return to school in September.

In the goods-producing industries, the work force is more stable, and cutbacks in employment are more likely to be translated into a rise in unemployment. Job loss, therefore, is a more important component of total unemployment in the goods-producing industries.

The recent improvement in the nonagricultural wage and salary unemployment rate has been sharpest in the goods-producing industries. The job-loser rate in these industries was cut in half—from 3.4 percent in June 1964 to 1.7 percent in June 1966. The job-loser rate in the service-producing sector was reduced by two-fifths—to 1.1 from 1.8 percent.

An examination of differences in the total unemployment rate and the job-loser rate for occupations reveals a pattern similar to that among industries. The job-loser rate is a less significant component of the unemployment rate in white-collar and service occupations than in blue-collar occupations. In all 6 survey months, the rate of job loss accounted for half or less of the unemployment rate in each white-collar and service occupation. In fact, in June 1966, the rate of job loss was less than a third of the total unemployment rate in each of these occupations. Since the white-collar and service occupations are expanding sectors and attract many women and teenagers, it is not surprising to find this gap between unemployment and job-loser rates and to find it accentuated in June.

In each occupation, the drop in the total unemployment rate between June 1964 and June 1966 occurred mainly among job losers. The occupational data for reentrants refer only to persons who have previously worked in a given field, but they may indicate where the slight 1964–66 improvement for new workers occurred. Although the overall reentrant rate was unchanged from June 1964 to June 1966, it dropped to 1.3 from 1.6 percent for the only group where a decline occurred—white-collar occupations. The reentrants who had the necessary skills and education for clerical and sales jobs, where the decline occurred, found it somewhat easier to obtain jobs in June 1966 than 2 years earlier. A similar improvement could probably also be extended to new entrants.

On the other hand, the occupations where the reentrant rate rose slightly were nonfarm laborers and service workers. These two occupations include the least skilled, least educated of our nonfarm labor force. New labor force entrants who lack skills and completed educations must look for work in these fields where they are further hampered by their lack of full-time work experience.